

The Power of as-is processes

S-BPM ONE Power Speech

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INSTITUTE OF APPLIED INFORMATICS AND
FORMAL DESCRIPTION METHODS (AIFB)



Why S-BPM?

A Consultants Point of View

1. A consultants point of view?
2. The economic rationale
3. The psychologic rationale
4. The „history of research“ rationale
5. A consultants point of view

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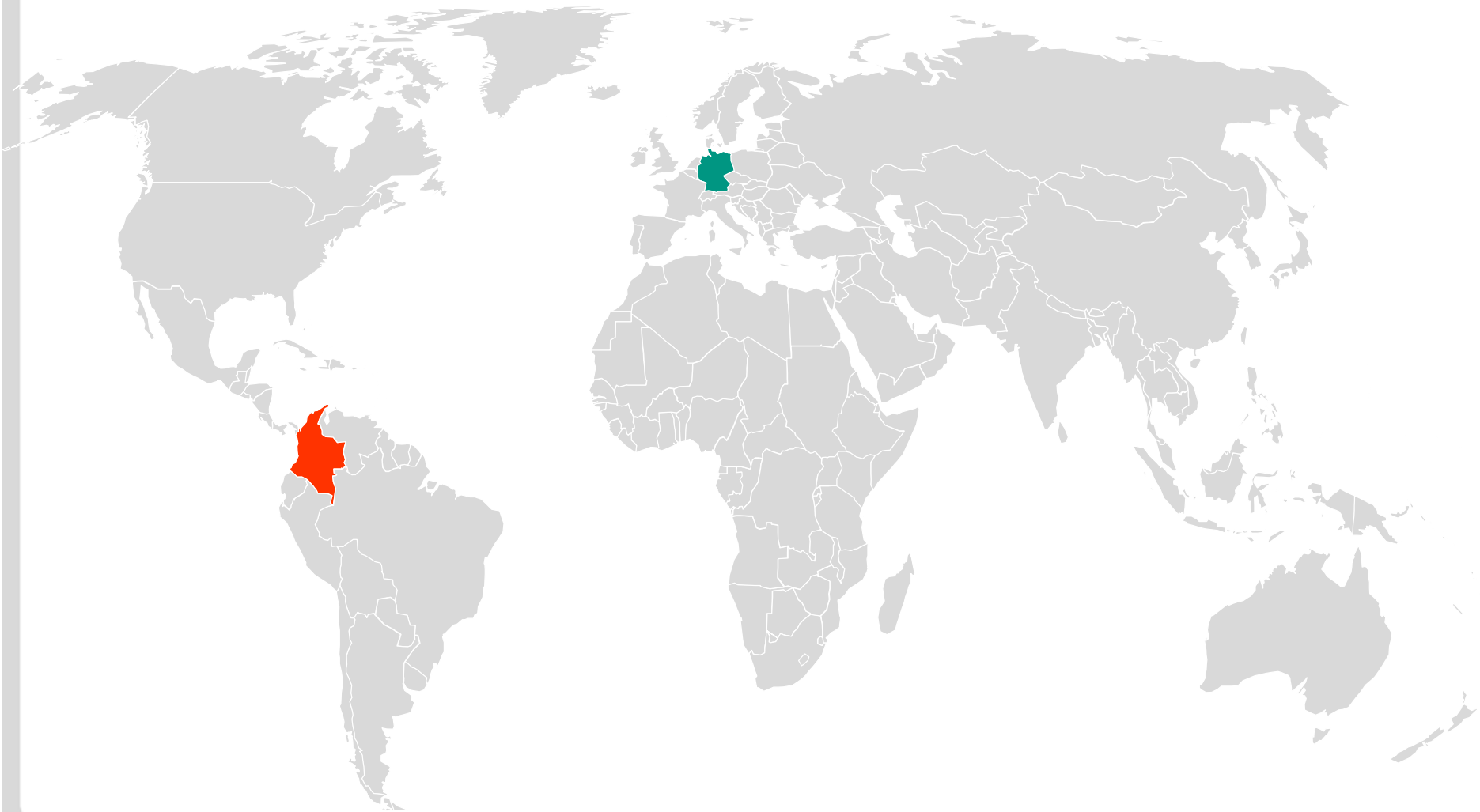
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In the year 2001 something strange happens (the first time) to our Consultant: Banks without money!



May 2003: Our desperate Consultant jets to Colombia. He has heard of a bank which needed a miracle.

„A bank is a decision making body.“

„Everybody was busy,
but nobody was making business.“

„We had 250 branches – und 250 different credit processes.“

„People were solving internal problems –
and not the problems of our customers.“

„We had tons of papers piled up in our offices.“

„We had too high costs – and still department heads were
demanding even more staff in order to be able to deliver faster.“

„Information was a privilege.“

„Nobody was able to articulate the whole process.“



Pedro Nel Ospina, CEO Bancafé
Bogotá, May 2003

„A headache became business!“. How to turn a hazardous challenge into the chance of live?



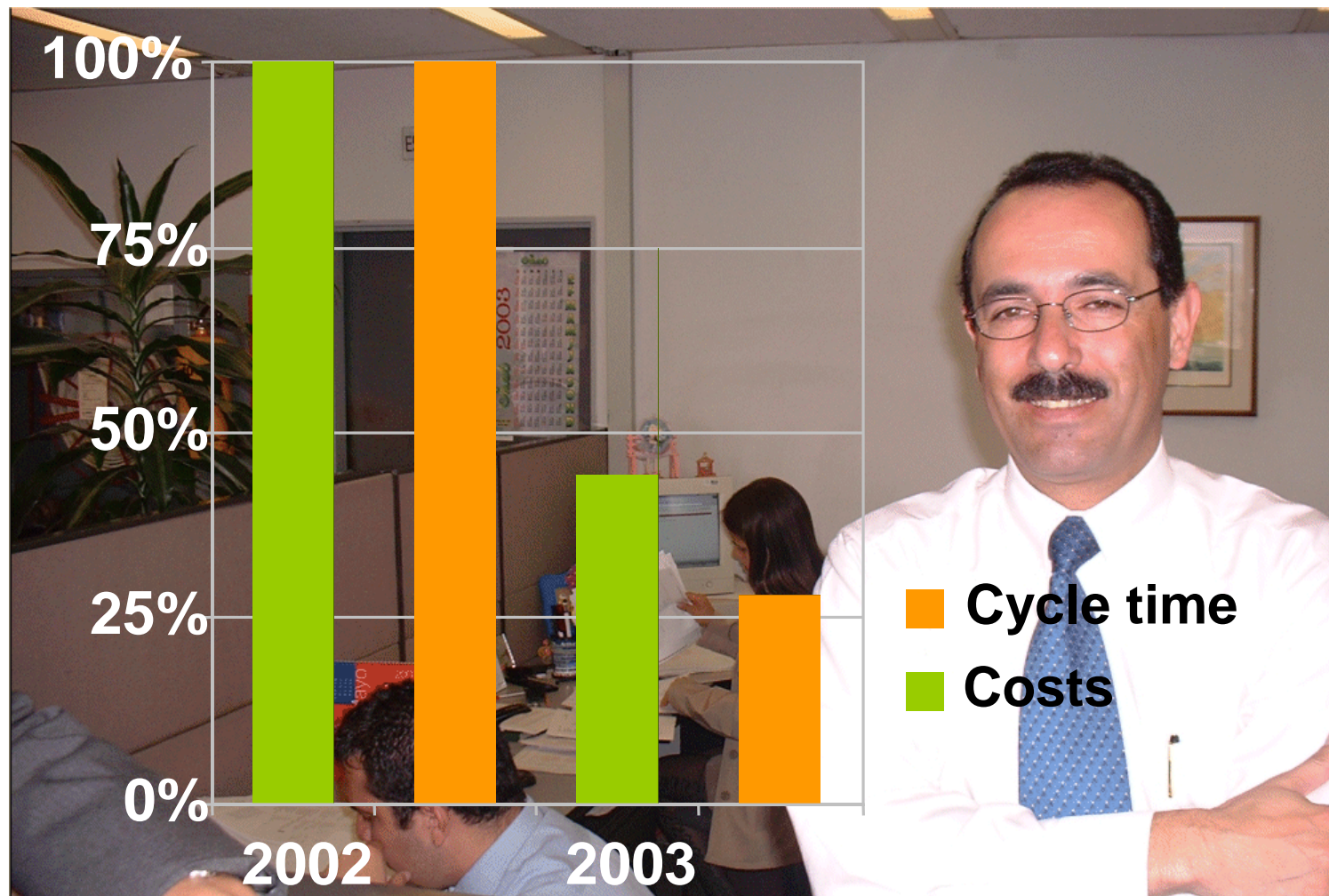
The core concept: Improve cycle times! End-to-end business process measuring from the branch ...



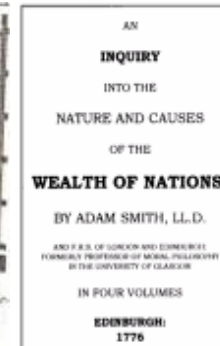
... down to the headquarters in Bogotá: Everybody knows, who is responsible for each step and decision.



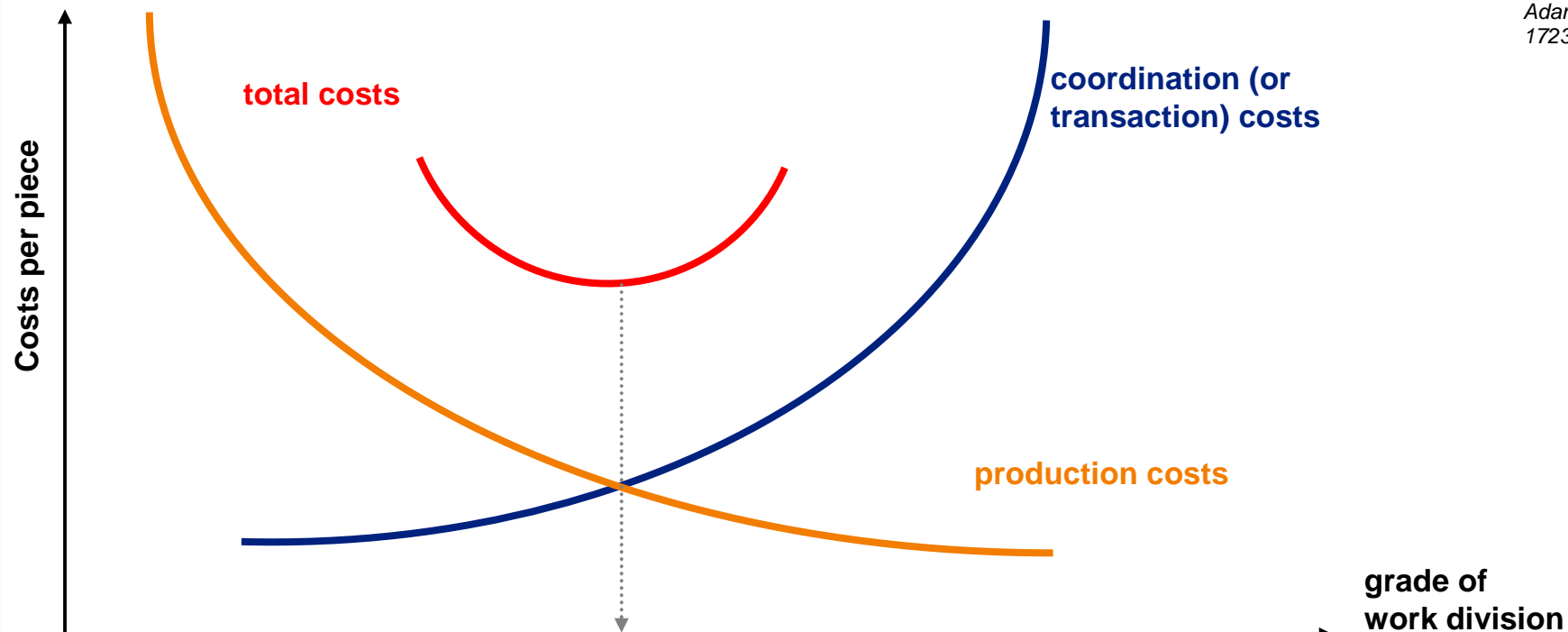
**In the result, cycle times were improved by 70%.
And as a side effect, costs were cut by more than 50%.**



„The division of work shall improve the productivity of work more than any other means.“ Adam Smith (1776)

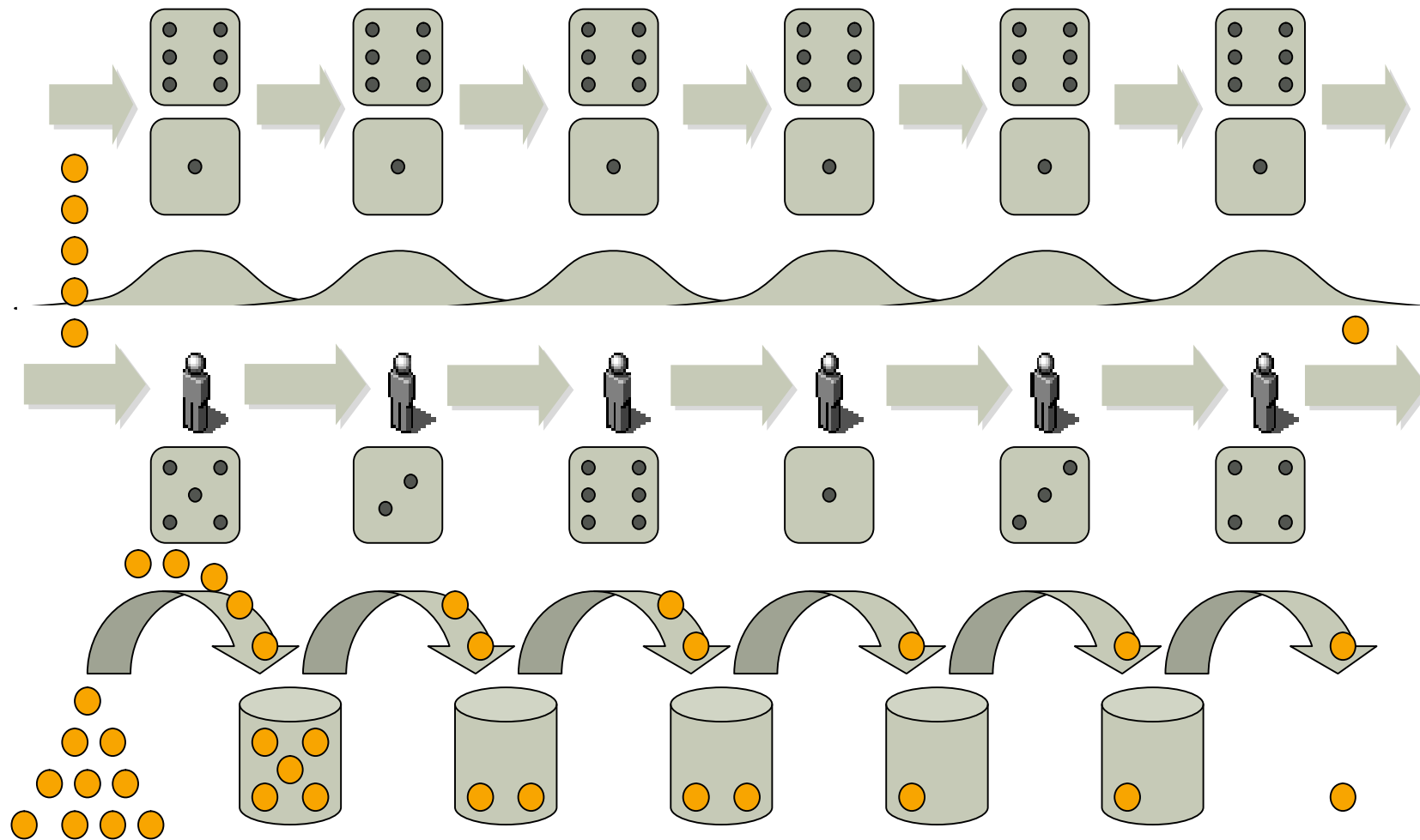


Adam Smith
1723 - 1790

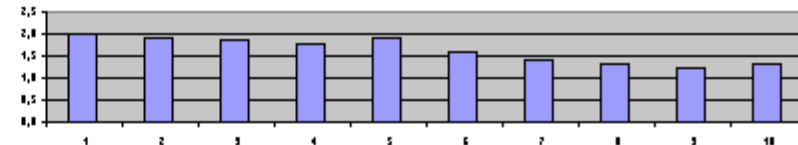
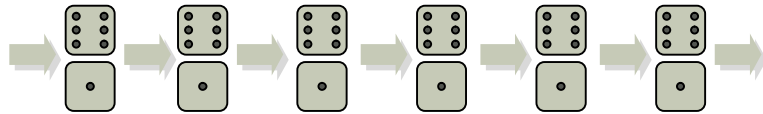


source: Gary Becker and Kevin M. Murphy (1992)

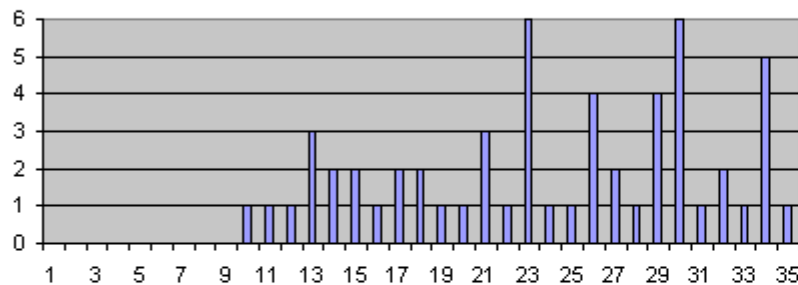
The dice game shows us: It is mainly not the structure of a process, that determines its efficiency – it's its dynamics!



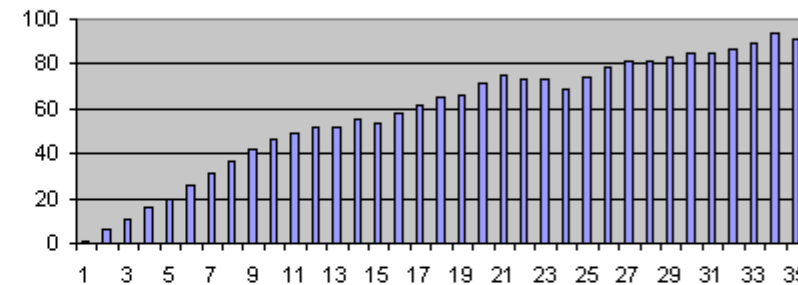
A simple process: Linear structure, but high backlogs (full buffers) and therefore bad cycle times. Customers will leave the bank.



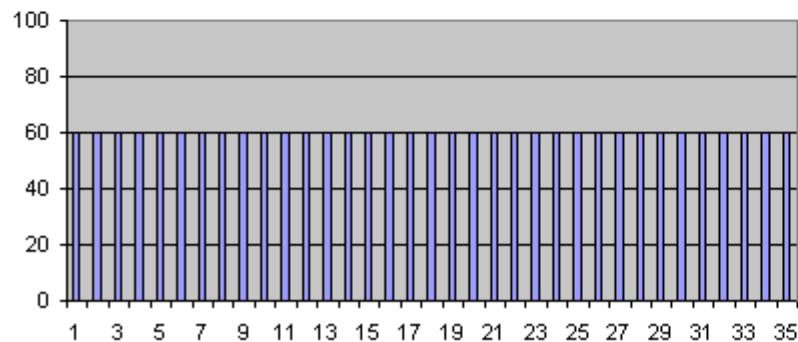
Throughput



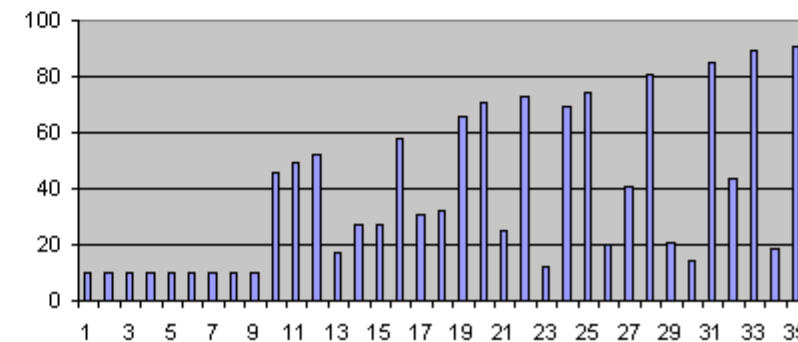
Backlogs



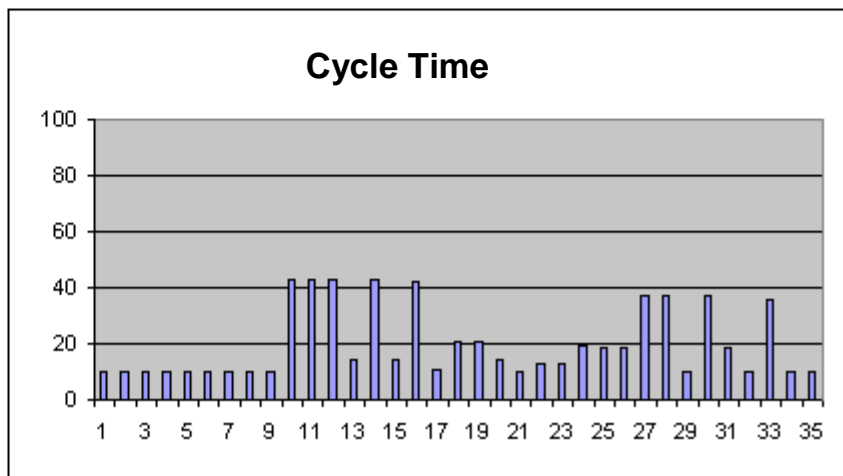
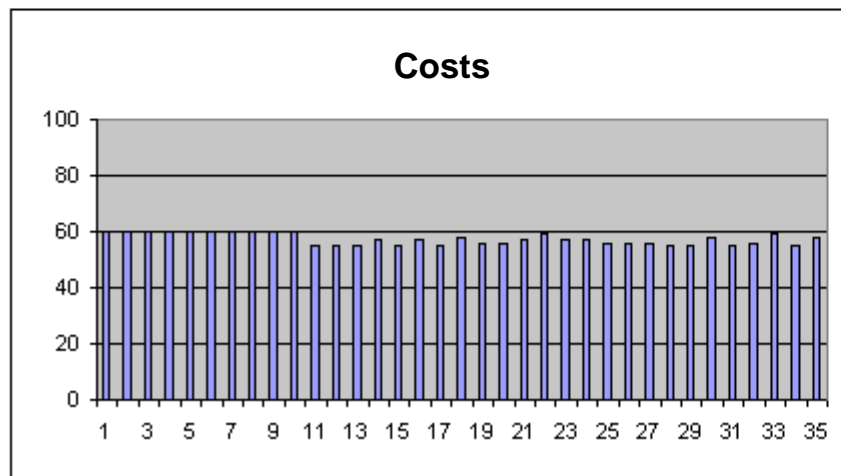
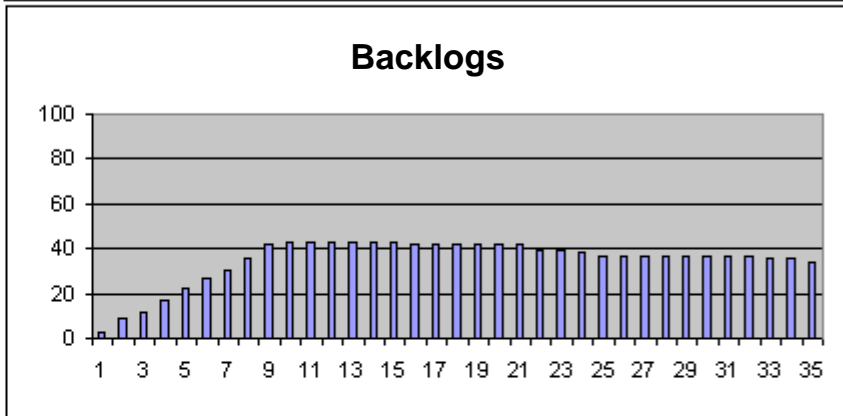
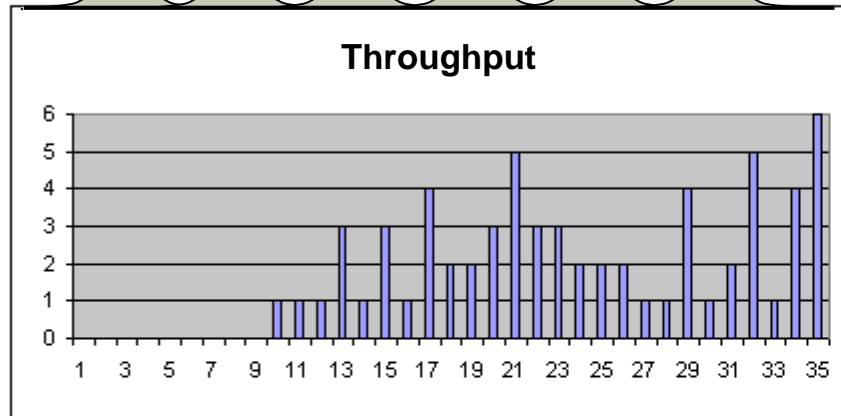
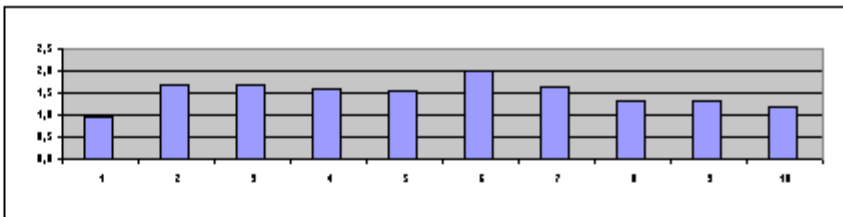
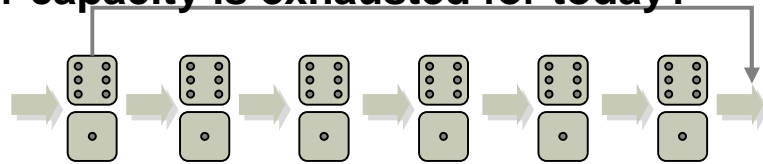
Costs



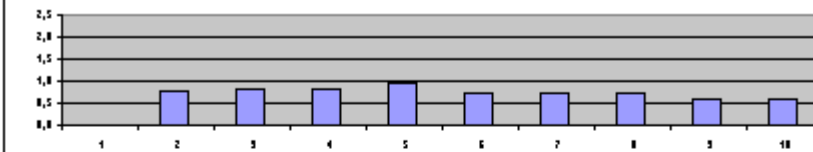
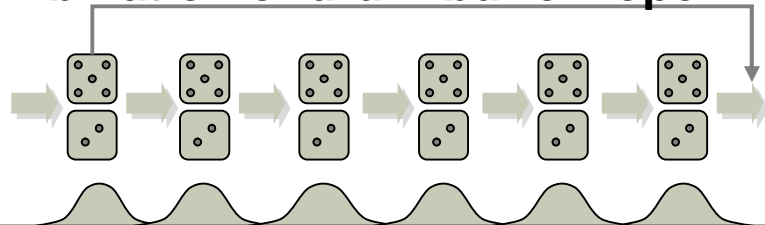
Cycle Time



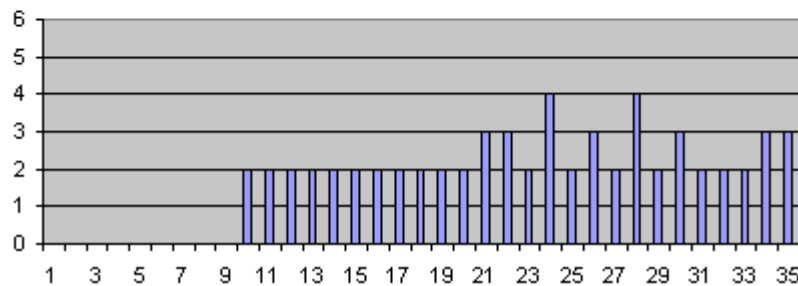
A feedback loop (rope) cuts the backlogs and stabilizes cycle times – but which customer likes the sentence: Please come back tomorrow, our capacity is exhausted for today?



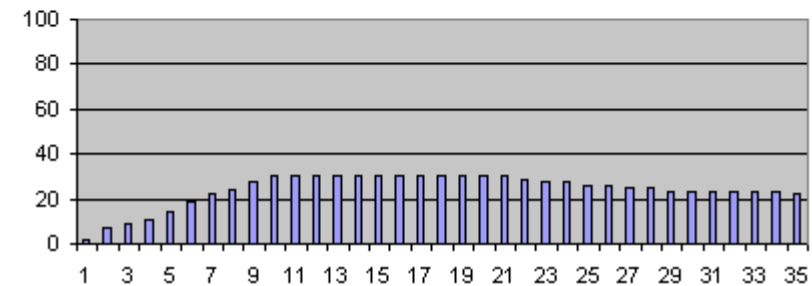
If you succeed in reducing the variance of the dices (drums), the combination of drum-buffer-rope will create a miracle.



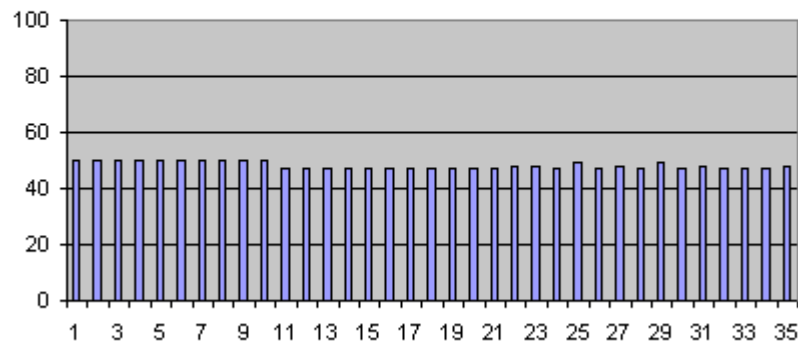
Throughput



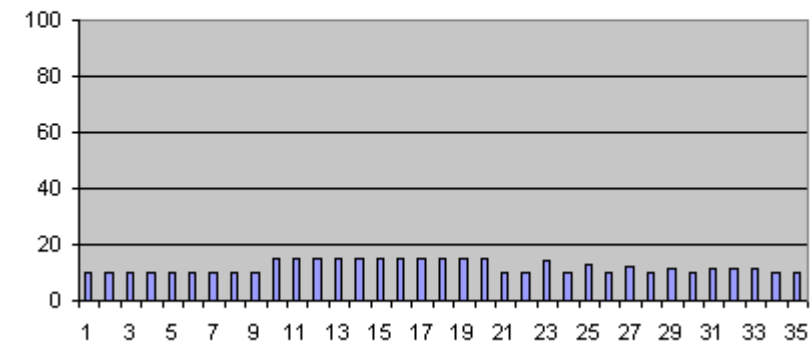
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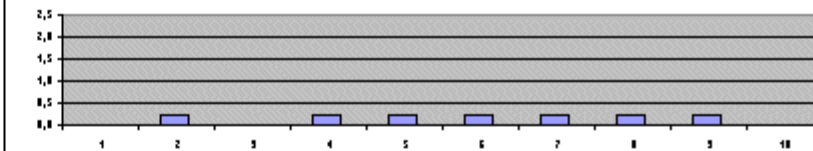
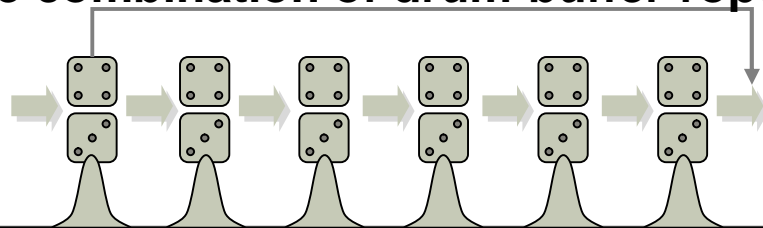
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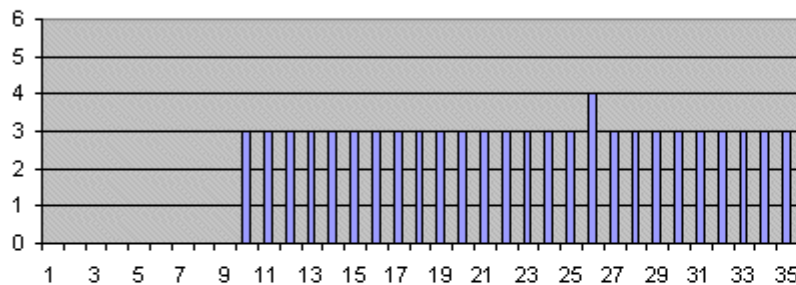
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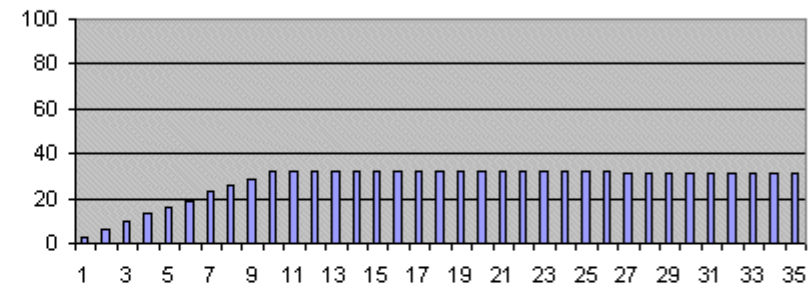
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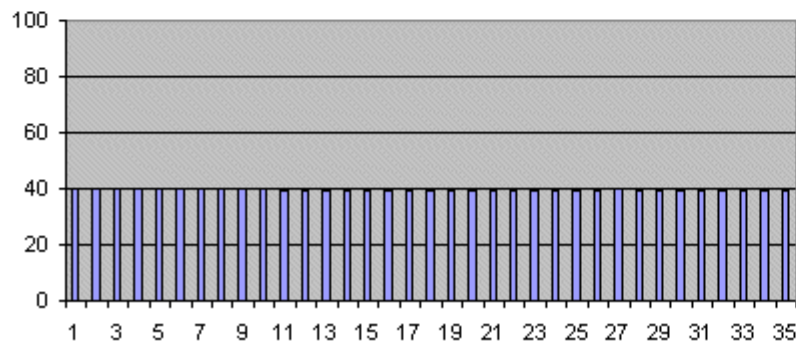
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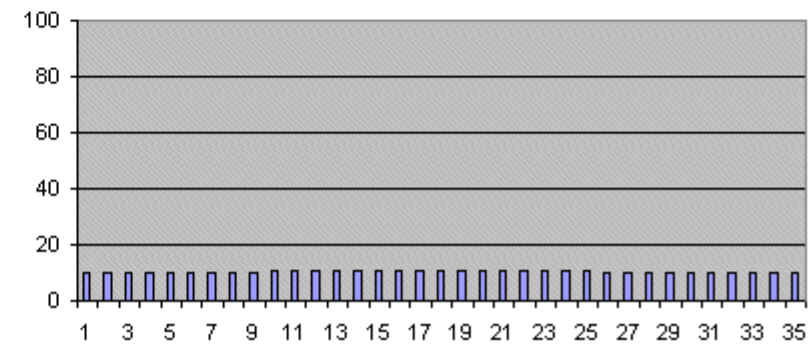
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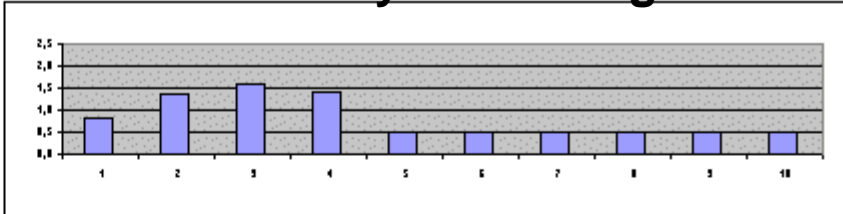
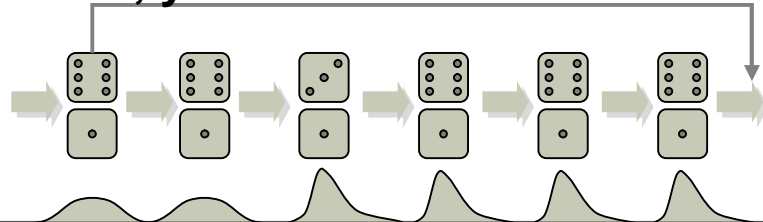
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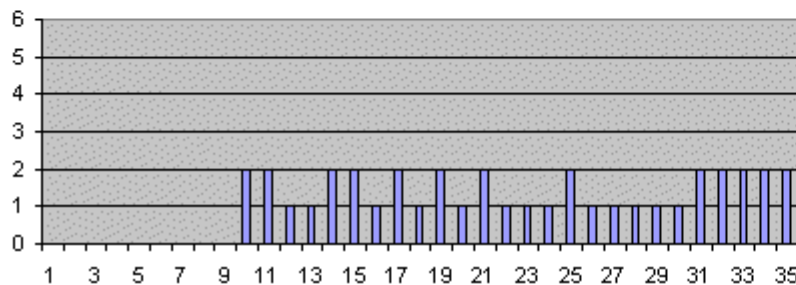
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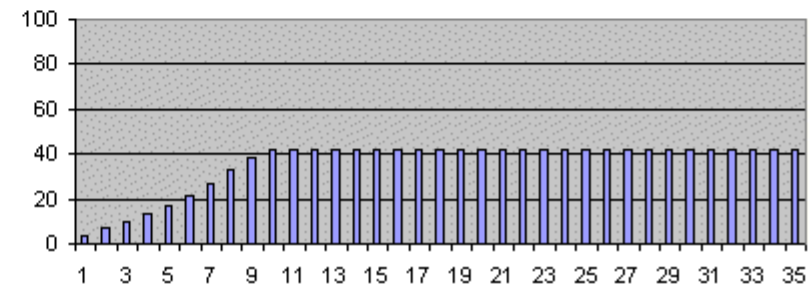
Now turn the principle around: If you want to improve an existing process, you first have to find the causes of variance by measuring.



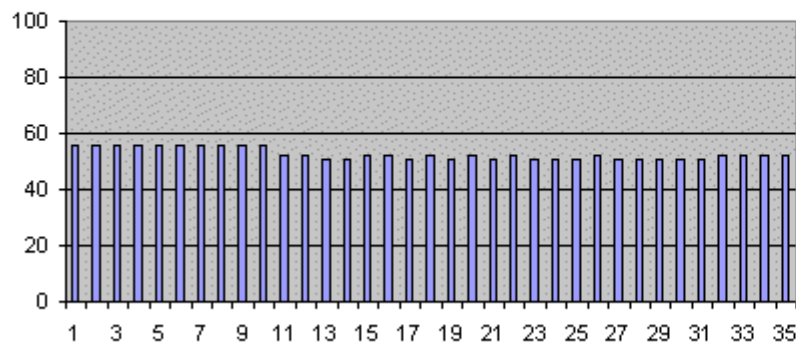
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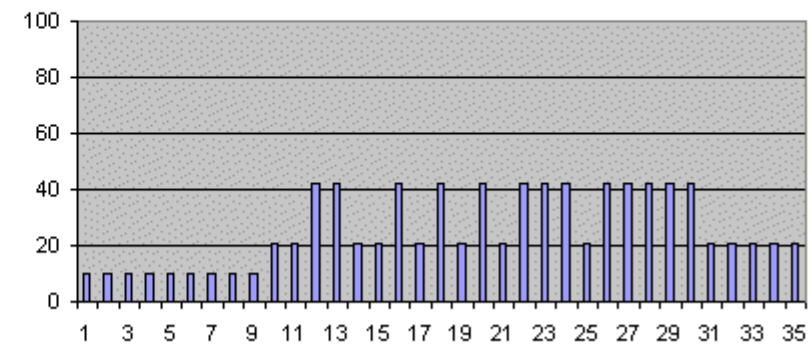
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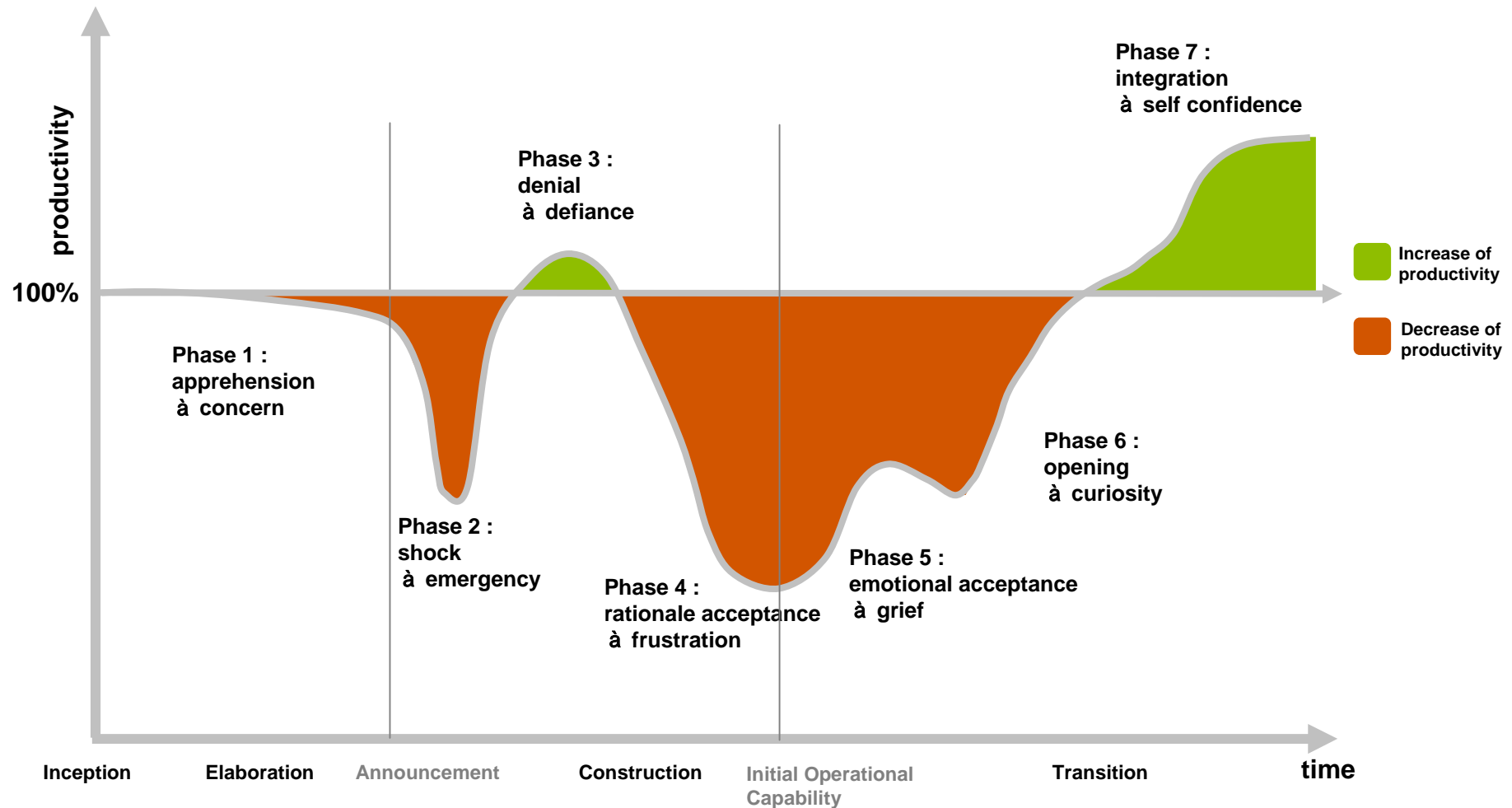


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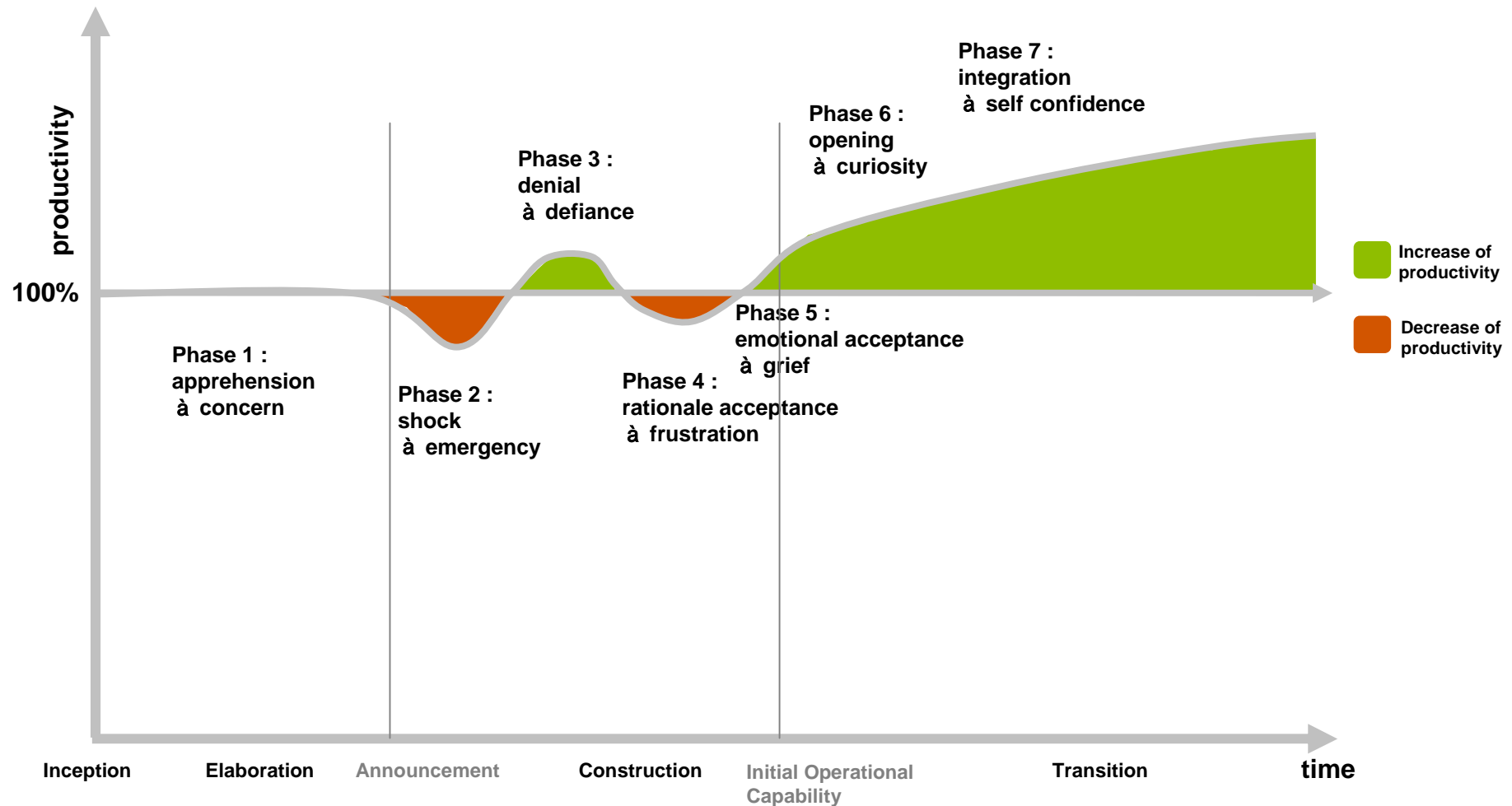
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Changing the grade of work division creates resistance as employees loose self-confidence in their best practices.



source: Dr. Kübler-Ross, 1969

To sustain the grade of work division but to improve cycle times by fighting the sources of variance sustains self confidence – and minimizes resistance against change.



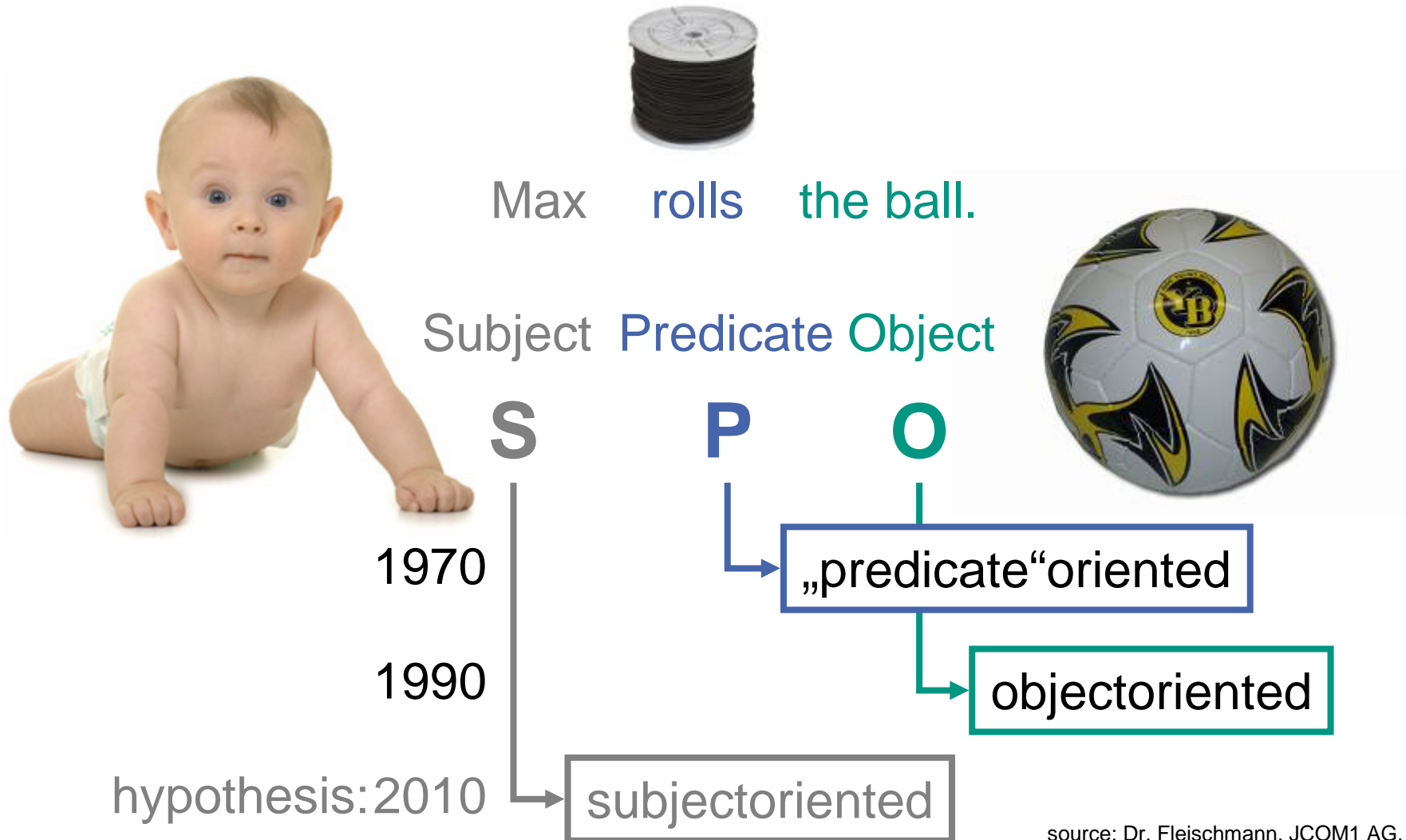
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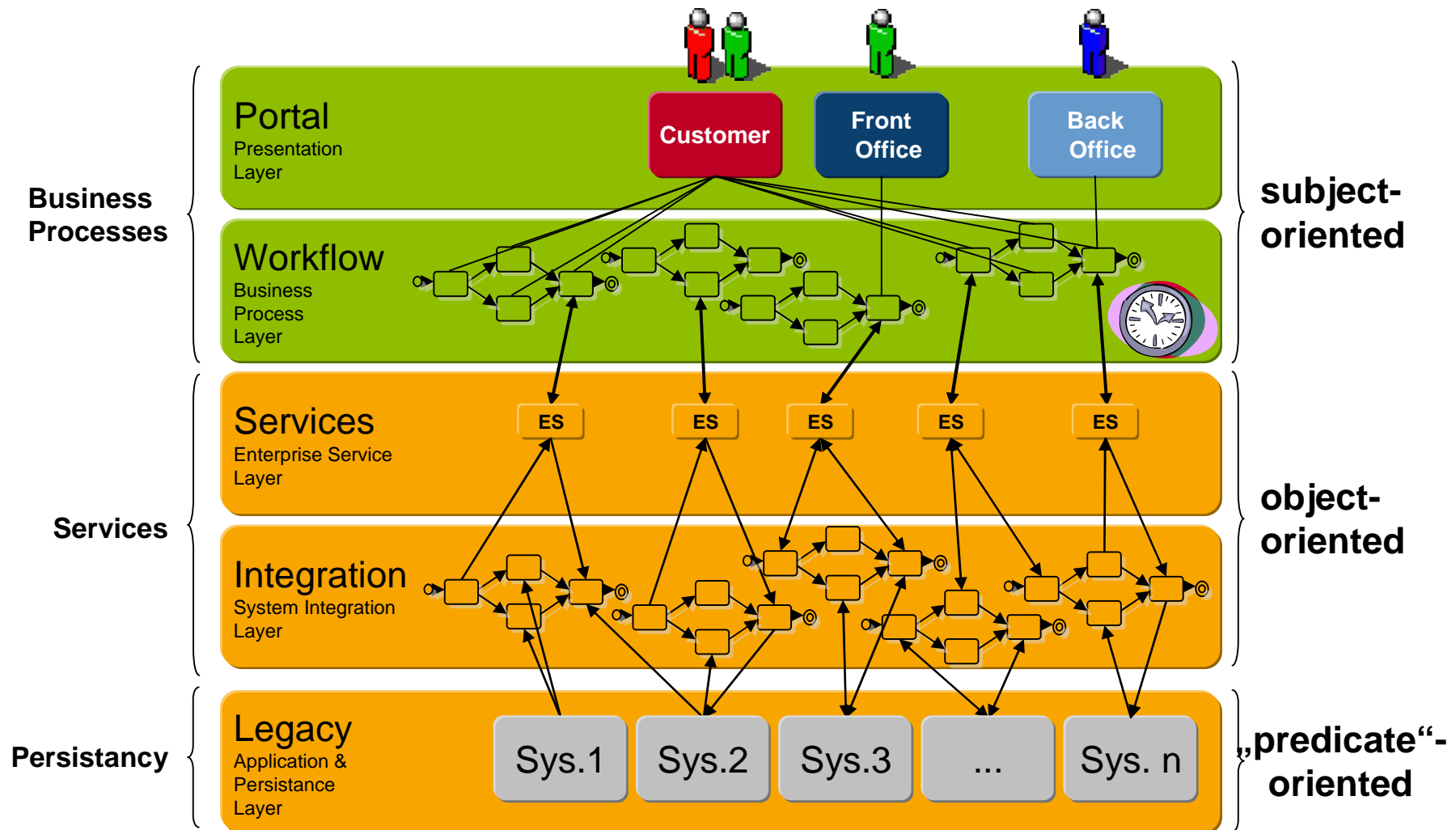
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Hypothesis #1: Changes of paradigms in a scientific field correlate with changes of their „popes“ in that field (alternation of generations).



source: Dr. Fleischmann, JCOM1 AG, 2007

Hypothesis #2: This evolution now comes to its third age. The Business Process Layer is per se a subject-oriented layer.



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Intel Technology Roadmap 2007 – a great Vision is becoming reality! And S-BPM is a natural part of it!

Mass Production starting from	2004	2006	2008	2010	2012	2014	2016	2018
Technology (nm)	90	65	45	32	22	16	11	8
Number of Cores per Chip	2	4	8	16	32	64	128	256

already
superannuated!

New Form of Moore's Law: Number of Cores per Chip doubles every 24 months!

- ö hundreds of Cores per Chip in near future !
- ö affordable for everyone !
- ö applications itself must be inherent parallel !

KIT IPD is at the top
of this revolution !

ö XJava, Parallel Design Patterns

source: Prof. Dr. Walter Tichy, KIT, IPD